



Senate

General Assembly

File No. 493

January Session, 2015

Substitute Senate Bill No. 959

Senate, April 7, 2015

The Committee on Commerce reported through SEN. HARTLEY, J. of the 15th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING PENALTIES FOR THE FILING OF PAPER DOCUMENTS WITH THE DEPARTMENT OF REVENUE SERVICES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-690 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) (1) The Commissioner of Revenue Services may permit the filing,
4 by computer transmission or by employing new technology as it is
5 developed, of any return, statement or other document that is required
6 by law or regulation to be filed with said commissioner.

7 (2) The Commissioner of Revenue Services may permit the filing, by
8 computer transmission or by employing new technology as it is
9 developed, by any person of any document that is permitted by law or
10 regulation to be filed with said commissioner, as long as such person
11 and said commissioner have agreed that said commissioner may send
12 any document or notice to such person by computer transmission or
13 by employing new technology as it is developed.

14 (b) The Commissioner of Revenue Services may require the filing,
 15 by computer transmission or by employing new technology as it is
 16 developed, of any return, statement or other document that is required
 17 by law or regulation to be filed with said commissioner by any person
 18 who is required under the provisions of this chapter to pay the tax, to
 19 which such return, statement or other document pertains, by electronic
 20 funds transfer, or by any other person who is described in regulations
 21 adopted under this subsection by said commissioner in accordance
 22 with the provisions of chapter 54.

23 (c) For purposes of this section, the Commissioner of Revenue
 24 Services may prescribe alternative methods for the signing, subscribing
 25 or verifying of such return, statement or other document by a person
 26 that shall have the same validity, status and consequences as a paper
 27 return, statement or other document that was actually signed,
 28 subscribed or verified by such person.

29 (d) Notwithstanding any other provision of the general statutes, the
 30 Commissioner of Revenue Services may permit the payment of any tax
 31 that is required by law to be paid to him by use of any new technology
 32 as it is developed.

33 (e) Notwithstanding the provisions of this section, the
 34 Commissioner of Revenue Services shall not charge a penalty or fee to
 35 any taxpayer for filing, instead of by computer transmission, a paper
 36 return, statement or other document that is required by law or
 37 regulation to be filed with said commissioner.

38 [(e)] (f) The Commissioner of Revenue Services shall adopt
 39 regulations, in accordance with the provisions of chapter 54, necessary
 40 for the administration of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	12-690

CE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
Revenue Serv., Dept.	GF - Uncertain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill prohibits the Department of Revenue Services (DRS) from charging a taxpayer a penalty or fee for filing a required return, statement, or other document on paper instead of electronically. The fiscal impact of this is uncertain.

Under current law, DRS noncompliance penalties are based on taxpayers' failure to make required payments electronically. However, the bill's provisions specifically relate to penalties or fees for not filing electronically (rather than paying electronically). Consequently, it is unclear whether the bill would disallow current penalties levied for failing to make required payments electronically.

To the extent that the bill would not impact the DRS' ability to charge noncompliance penalties for failing to make required payments electronically, there is no fiscal impact. However, to the extent the bill disallows such noncompliance penalties related to electronic payment, there is an annualized revenue loss of up to \$1.5 million.

DRS noncompliance penalties related to failure to make payment electronically totaled approximately \$1.5 million in FY 13 and \$770,000 in FY 14.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future.

OLR Bill Analysis**sSB 959*****AN ACT CONCERNING PENALTIES FOR THE FILING OF PAPER DOCUMENTS WITH THE DEPARTMENT OF REVENUE SERVICES.*****SUMMARY:**

This bill prohibits the Department of Revenue Services (DRS) commissioner from charging a taxpayer a penalty or a fee for filing a required return, statement, or other document on paper instead of electronically.

By law and DRS regulation, DRS may, after providing notice, require taxpayers to file required documents electronically. Taxpayers may request a waiver from the requirement, and DRS must issue 12-month waivers to taxpayers who prove that they have (1) good cause not to file electronically or (2) no way to file electronically without undue hardship (Conn. Agencies Reg. § 12-690-1).

EFFECTIVE DATE: October 1, 2015

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute

Yea 21 Nay 0 (03/19/2015)